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Chilton's

AUTOMOTIVE MARKETING

The Marketing/Business Magazine For The Retail Aftermarket

JUNE 1988

THE BUYERS' GUIDE

Product Category Review

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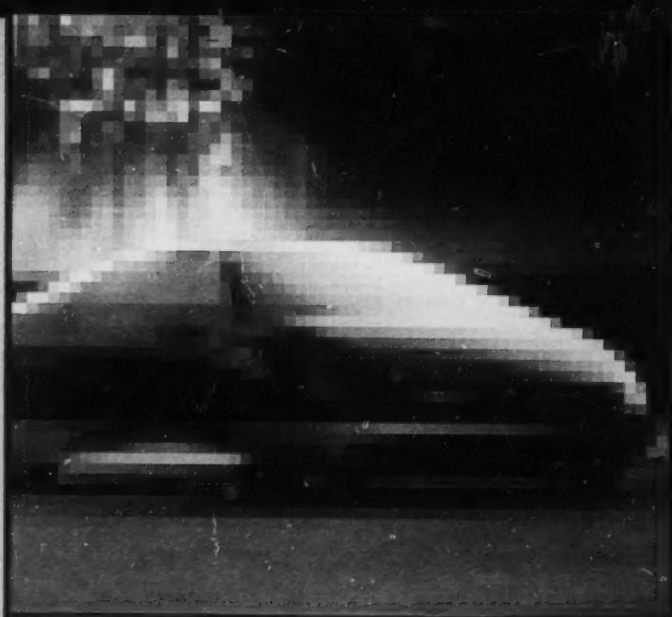

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PUBLISHER'S NOTES

INDUSTRY PROGRESS

My phone has just rung confirming the cooperation between the Pacific Automotive Show and the Automotive Parts and Accessories Association in next year's PAS show, February 7-9, Reno, NV. The alliance is a significant step toward the cooperation which this industry needs.

Meanwhile, in this issue, we bring all you need when it comes to finding suppliers. In our all-inclusive Buyers' Guide listings, we've catalogued products by category, listed suppliers alphabetically, and furnished cross reference guides to make your sourcing easy.

Following our Buyers' Guide is our Product Category Review section with market overviews of major automotive retail product lines and segments. Also, please be sure to examine the comprehensive catalog-type ad pages within the section.

Check out Detailing The Market for news of the industry's next show, July's APAA Show in Chicago, so you can make plans for both formal association and industry events, and informal but informational meetings plus the many social events.

We hope you enjoy it all. Let us hear from you! ■

Sarah Frankson, Publisher

DETAILING THE MARKET

IN-STORE FOCUS

CANADIAN TIRE CORP. LTD.
Headquarters: POB 770, Station K, Toronto M4P2V8, Ontario, Canada
(416) 480-3000
Stores: 406 (All franchised)
Total Corp. Sales: $2,483,822,000 (Canadian Dollars)
Average SKUs: 25,000
Founded: 1923

This chain is more than automotive aftermarket stores, more than a mass merchandiser—and it has more of just about everything.

Founded in 1923 as an automotive tire store by the Billes brothers, the chain positioned itself as a strong pricing alternative by selling off-brand tires at low prices. Over the years, the business added auto parts, accessories, and stores. Today, it has 406 franchised stores.

As Canadian Tire franchised, it continued to broaden its product offering. Today, in the words of managing director/automotive marketing department Ralph Trott, Canadian Tire has a "very dominant automotive assortment with strong representation in hardware, home improvement and leisure categories. If you took a home center without the lumber, and added a Pep Boys, you might describe a typical Canadian Tire store," said Trott.

Trott estimates that about one-third of each store is devoted to automotive; another 20% is "a lot of hardware," including hand and power tools, plumbing, electrical and so forth. Housewares and leisure goods make up the remainder of the product mix. The chain resembles a typical U.S. mass merchandiser without the softgoods.

For the average Canadian consumer, a Canadian Tire outlet offers a wide range of products and services. "Over 88% of the total adult Canadian population visits one of our stores every six weeks. We offer them the broadest assortment with the most depth in the auto aftermarket in Canada."

Trott describes the automotive department as "a store within a store." Each auto department carries about 15,000 SKUs, and boasts immediate availability of about 70,000 parts, utilizing a rapid auto parts "depot" system. (Canadian Tire operates regional warehouses for slower moving auto parts as a separate division). With rare exceptions, most of the chain's auto SKUs are *private label*, the Motomaster brand, supplied by several manufacturers.

"Of our 15,000 SKUs per store, probably 12,000 are Motomaster," explained Trott. "We offer a very broad, in-depth assortment."

Motor oil is 100% private label; so are tires, which are offered at good-better-best price points. Water pumps, battery cables, batteries, oil filters and the like are also private label; just about the only national brands the chain carries are car waxes and appearance chemicals.

Approximately 30% of the chain's total sales come from the automotive department, and when you're talking about a $2 billion-plus operation, that's an impressive sales figure. Canadian Tire also operates 132 gas-only gas stations, and 60 Pit Stop rapid lubes.

The retail outlets have no standardized layouts. They feature a module merchandising system based on store size and merchandise assortment. So an average sized auto department runs about 16,000 sq. ft., while the largest of the stores has 47,000 sq. ft. of auto, and the smallest 5,000 sq. ft. The chain is largely self-service, but there is a parts desk in each store for DIYers who might have questions.

Every store has full-service bays. The chain operates some 4,000 service bays in the stores. Each store contains about ten bays, depending on the size of the individual store.

Canadian Tire employs a very heavy ad campaign, advertising on TV and in print 52 weeks a year. Seven million fliers are mailed to Canadian homes each week, and "auto is advertised in almost every case," according to Trott. All this results in steady consumer interest. "We don't have a 'strongest' selling season," said Trott. "Auto sells well all the time."

DETAIL

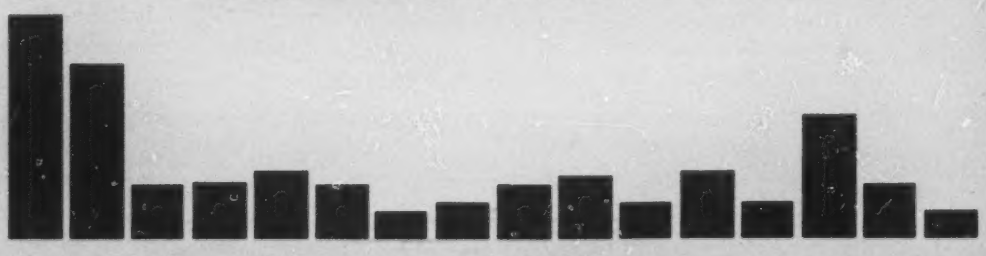
79%

of American motorists pumped their own gasoline at self-service gas stations in 1987, according to Amoco Oil Co. (Chicago) market research.

PROFILE: ANTIFREEZE/COOLANT DIYers

Drawing from the 1988 *Automotive Marketing Consumer Automotive Repair Study*, we look at DIYers who purchased and installed antifreeze/coolant during the previous 12 months.

			Age					Income				Hours Per Month Spent On DIY			
Total	Male	Female	-25	25-34	35-44	45-54	55 +	-$20K	$20-30K	$30-40K	+40K	-1 Hrs	1-5 Hrs	6-10 Hrs	11 + Hrs
100.0%	78.0%	22.0%	24.7%	29.9%	17.7%	11.3%	16.2%	24.1%	28.3%	15.2%	25.9%	13.6%	54.6%	21.0%	9.7



THE AUTOMOTIVE MARKETING INDEX

THE 1988 *AUTOMOTIVE MARKETING* MARKETBASKET

To determine the price movement, *Automotive Marketing* created a "marketbasket" of the best prices available for nine popular aftermarket products. We determine the best available price of each item in each marketing area each month to come up with an average marketbasket index.The products include a non-resistor spark plug; an oil filter; a can of 10W30 motor oil; a can of paste wax; an AM/FM/Cassette radio; a gas-charged shock absorber; a gallon of antifreeze/coolant; a pair of windshield wiper refills; and a 40-month-warranty battery. These products are usually on sale somewhere within each marketing area, which we define by their unique geographic, meteorological, and consumer characteristics.

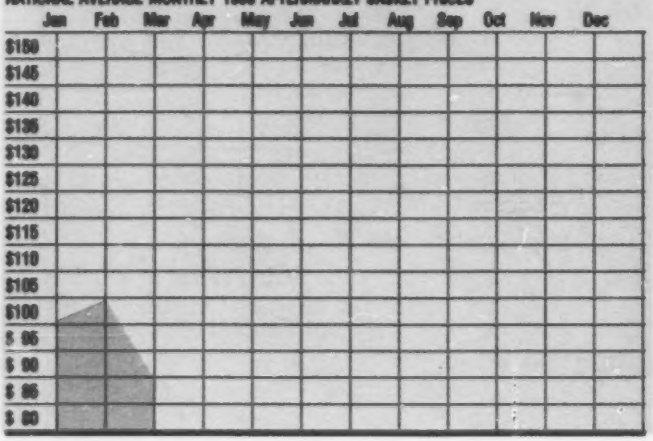
MARCH 1988 NATIONAL AVERAGE MARKETBASKET PRICES

A non-resistor spark plug:	$ .88	A gas-charged shock:	$ 12.66
An oil filter:	2.22	One gallon of antifreeze:	3.29
A can of 10W30 oil:	.76	One pair of wiper refills:	2.09
A can of paste wax:	2.83	A 40-month battery:	28.22
An AM/FM/Cassette:	36.67	Total:	$ 89.45

MARCH 1988 AM MARKETBASKET PRICES BY MARKETING AREA

		3. Smokestack East:	$ 91.40
		4. Old South:	91.48
		5. Caribbean South:	96.56
		6. Smokestack Central:	74.71
		7. Grainbelt Central:	95.35
		8. Spanish West:	77.74
1. Greenbelt East:	$ 93.36	9. Desert West:	92.16
2. Megapolis East:	101.77	10. Greenbelt West:	89.92

NATIONAL AVERAGE MONTHLY 1988 AFTERMARKET BASKET PRICES



DOW JONES 65 COMPOSITE STOCKS

Dow Jones 65 composite stock and *AM's* 17 aftermarket stock price as of May 18.

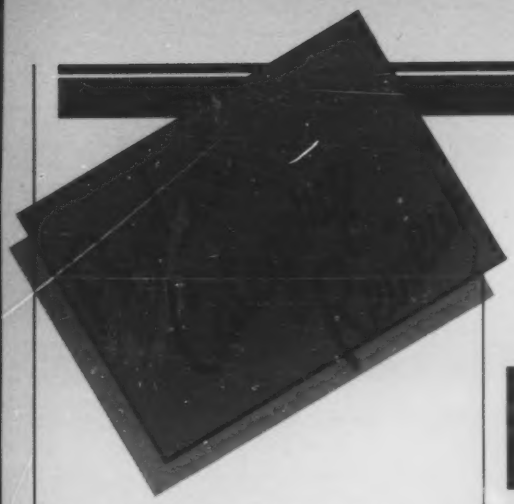
AM 17 COMPOSITE AFTERMARKET STOCKS

1988 AFTERMARKET STOCK PRICES

The prices below are the high and low offered and paid for aftermarket-related common stocks for the 52 week period prior to May 18. In all, stocks in five companies gained in price since last month's report, while those in 23 companies lost ground. Despite this, the overall PE ratios have dropped—good news for potential investors. *Automotive Marketing* has added a number of stocks to this listing beginning this issue.

	Exchange	52-week High	52-week Low	4/12 Quote	P-E Ratio
Action Auto	NASDAQ	9 1/2	3 3/4	8	16
Allied Signal	NYSE	48 3/4	26	31 1/8	10
Armor All	NASDAQ	27 1/4	10 3/4	18	17
Arvin	NYSE	37 3/8	14 3/4	19 1/4	19
AutoSpa	NASDAQ	4 7/8	7/8	1 1/2	257
Big Bear	NASDAQ	26 3/8	14 7/8	24 1/2	13
Chief Auto	NASDAQ	18	5 3/8	8 3/8	111
Champ Spk Plg	NYSE	16 3/8	7 7/8	11 3/4	24
Chevron	NYSE	65 5/8	32	47 7/8	13
Chrysler	NYSE	48	19 3/8	22 1/2	4
Coachman	NYSE	12 3/4	6 5/8	9 3/4	488
Cooper	NYSE	74 1/2	32	56 3/8	16
Dana Corp.	NYSE	54 1/4	27 1/2	35 7/8	10
Danalon	NASDAQ	14 1/4	7 1/2	13 1/8	14
Echlin	NYSE	19 5/8	10 3/4	16 1/8	19
Equion	NASDAQ	8 3/8	4	6 1/2	37
Facet	NYSE	32	10 1/2	31 3/4	28
Ford	NYSE	56 1/4	30	47 1/4	5
GM	NYSE	94 1/8	50	75	7
Genuine Parts	NYSE	44 3/8	27 1/4	35 3/4	18
Grand Auto	AMEX	19 1/2	7 3/8	15 5/8	—
JP Industries	NYSE	24 7/8	12	16 1/2	11
Lancaster Colony	NASDAQ	26	15 1/4	16 3/4	12
Lear Siegler	NYSE	7 3/8	1 1/8	2 1/4	—
Masco	NYSE	39 1/4	18 3/4	25 1/8	14
Meyer, Fred	NASDAQ	17 7/8	9 1/2	13 5/8	10
Mobil	NYSE	55	32	45 1/4	12
Modine	NASDAQ	22 3/4	11 3/4	18 1/2	11
Mr. Gasket	NASDAQ	7 3/4	5	5 3/8	21
PACCAR	NASDAQ	78 1/4	43 1/2	69 1/2	10
Prior Hamdin	NYSE	49	24 1/2	34 1/2	15
Penzoil	NYSE	88	38 1/2	73	96
Pep Boys	NYSE	18 7/8	9 1/2	10 5/8	17
Quaker State	NYSE	28 1/2	12 7/8	21 1/8	—
Rite Aid	NYSE	46 1/4	28 1/2	33 5/8	15
Sears	NYSE	59 1/2	29 3/4	33 1/2	8
Snap On	NYSE	46 1/2	24 1/4	38 3/8	17
Stan Mtr Prod	NYSE	21	11 1/8	12 3/8	11
Stewp	NYSE	5 3/4	2 1/2	5	—
Superior Ind	AMEX	19 3/8	9	15 1/4	9
TBC Corp.	NASDAQ	15 1/4	3 3/4	14 3/4	12
TRW	NYSE	70	37	44 1/2	10
Tenneco	NYSE	62 1/2	36 1/8	41 7/8	—
Trak Auto	NASDAQ	19	7	11	14
Triad Systems	NASDAQ	14 3/4	7 1/2	10 7/8	14
Wallbro	NASDAQ	32 3/4	16 3/4	29	19
Wilco	NYSE	43 1/4	26 5/8	34 1/4	10
Wynn	NYSE	30 3/8	14 1/2	19 7/8	47

(Circle 13 on Product Information Card) →



FLOOR MATS

Floor mats are favorite products of consumers and retailers alike.

Floor mats are often the first aftermarket product a new car buyer purchases. And almost every car owner replaces the mats at some point in the life of his car, often more than once. Floor mats are low cost, simple to install, and yet have obvious benefits to the customer. Color is the key to selling these products.

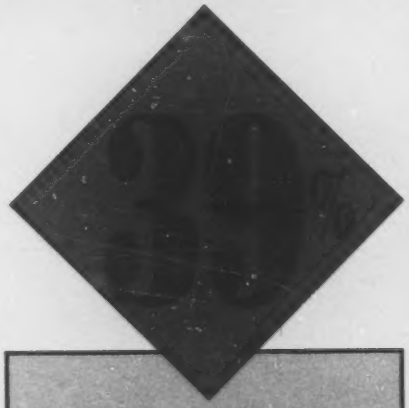
The original carpeting in a car can quickly become so dirty that it is impossible to clean. A set of floor mats can either protect the carpet from wear and dirt when new, or hide any existing damage. But floor mats need to be replaced when they become old, dirty, and worn. Besides, a quick change of floor mats is an inexpensive way to spruce up the interior of any car.

Source: *A M Consumer Automotive Repair Study*

Floor Mat Variety

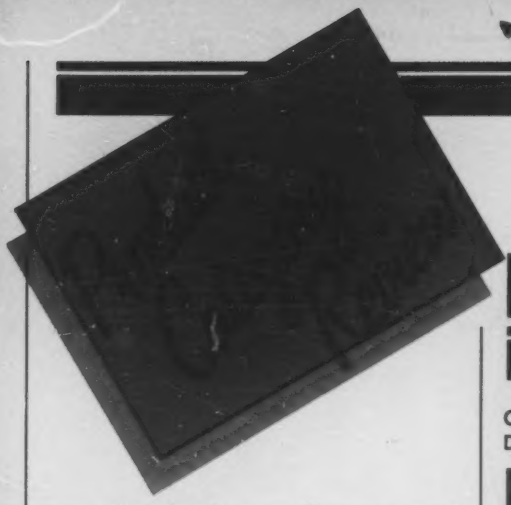
Floor mats are no longer plain rubber or plastic. Since they are a replacement for original carpeting, car owners are moving away from the plain rubber types of floor mats. Instead, they are purchasing carpeted varieties which are plush pieces of carpeting, in rich colors, backed with durable, non-skid materials.

Floor mats reflect the best of today's car design. Companies are designing floor mats towards rounder, more aerodynamic shapes. New molding processes make for rounder shapes, and, as cars are getting smaller and smaller, lighter mat col-



of all DIYers who bought floor mats purchased them at a discount store.

Source: *A M Consumer Automotive Repair Study*



FLOOR MATS

ors will make these smaller cars seem more spacious.

Popular Colors

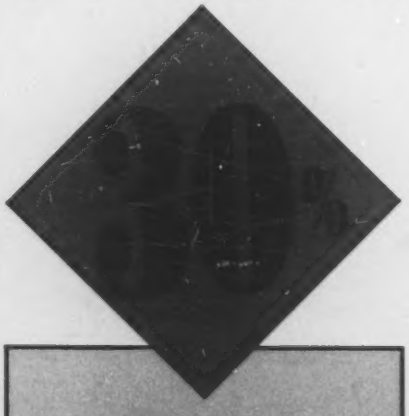
Consumers want mats to complement their cars' interior. A variety of colors for the customer to choose from is important for better sales. One sure way to inspire an impulsive floor mat purchase is to display "the right color" for your customer's car.

Recently, the most popular color for full-size and intermediate cars has been medium gray, while red has been the most popular for compact cars. But color experts say that automotive colors are moving away from "natural" colors look toward a fresher, richer look. The new popular colors include orange, bronze, and maroon. But while customer preference will start to move away from the now-popular medium grays, they will remain a staple color group.

According to DuPont Automotive Development Center, the leading supplier of automotive topcoat finishes in the U.S., brown, a color that wasn't even listed among the 12 most recent popular car colors, will be among the hottest colors in the near future. American car buyers will show a preference for bolder browns, more vivid reds, and more fully saturated blues, eventually moving away from the "wintry pastels" which have been popular recently.

Owners of bigger, luxury cars will continue to look at richer, darker colors, such as burgundy and metallic grays for their cars. Young car owners will be looking towards brighter colors, including electric blue and raspberry red. "The consumer will find model colors more vivid and more exciting than current offerings, concurrent with new body shapes and styling trends," a DuPont Automotive Development Center report said. "And colors for sportier cars will be more aggressive."

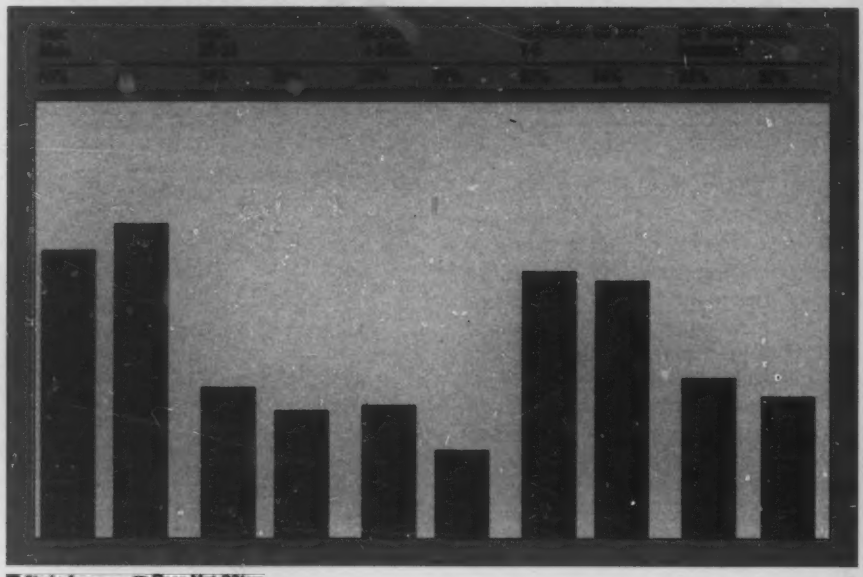
Remember, floor mat colors follow automotive colors. So, it's now time to think about stocking mats in these predicted colors in order to squeeze the most from your mat sales.



of all DIYers who bought floor mats bought the brand they did because of its low price.

Source: *AM Consumer Automotive Repair Study*

Comparing the largest percentages of DIYers in any given category who bought floor mats with DIYers as a whole in the same category.



■ Study Average ■ Floor Mat DIYers

Source: *AM Consumer Automotive Repair Study*

Floor Mat Display

Your display can be the key to floor mat sales. Today's floor mats deserve to be displayed. If they are not organized and shown as they should be, it could be a potential loss of some healthy profits.

Floor mats are also a product that auto parts stores sell to occasional DIYers or to those who would not consider themselves DIYers at all. Being aware of potential trends in color will make a big difference in sales. Having the most popular colors of floor mats in the plush carpeting style in stock and displaying them properly is the best thing you can do to increase sales. Remember, too, that floor mats are bought to fit the proper type of car by size, such as standard or intermediate. Therefore, to determine a good SKU mix, know the car population mix in your market.

Floor mats are a great product to use to attract other business. They help bring non-DIYers into your store. While there, they will pick up other items for their cars or trucks. ■

(Circle 27 on Product Information Card) →

Product Category Review

AIR FRESHENERS

When it comes to impulse products, you can't beat air fresheners.

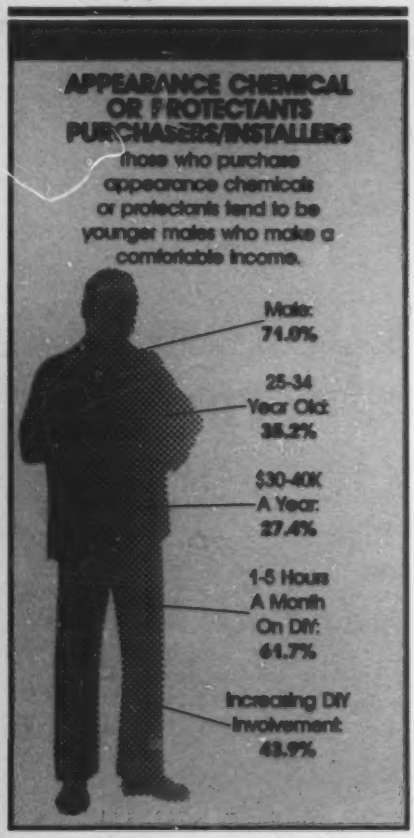
Air fresheners represent the aftermarket's number one impulse buy. Hung on POP merchandisers near the cash registers, or loaded into free-standing displays at the ends of gondolas, these little products represent big bucks.

Of the three types of air fresheners, the paper cut-outs that are impregnated with fragrance are most popular. There are also fast-acting aerosols that both mask offensive smells and work to kill the bacteria that cause them and capsule or droplet types which contain concentrated doses of fragrance formulas.

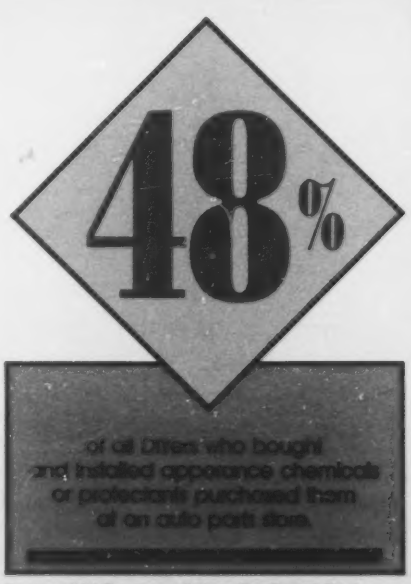
It is the first kind, hung from the rear view mirror, that is the most familiar. These little paper cut-outs do more than make the car smell good, they allow the owner to express himself. Outdoors heman type? How about a hunting or fishing scene? Nature lover? How about a natural fruit scent and shape? Or, a favorite syndicated cartoon character?

There is an air freshener made to convey whatever your customers want to express. Ever expanding air freshener lines include syndicated characters, movie and TV heroes, and familiar licensed images like the Playboy rabbit head.

The relatively short life of the scent of the fresheners (by the way, "baby powder fresh" has replaced strawberry as the nation's favorite air freshener scent), and their low price tag, means that they are changed as often as your customers' fancies dictate. And that means many return trips to your store. These small impulse items are worth their weight in gold when you total up your bottom line. ■


APPEARANCE CHEMICAL OR PROTECTANTS PURCHASERS/INSTALLERS
those who purchase appearance chemicals or protectants tend to be younger males who make a comfortable income.
Male: 74.0%
25-34 Year Old: 35.2%
$30-40K A Year: 27.4%
1-5 Hours A Month On DIY: 64.7%
Increasing DIY Involvement: 43.9%

Source: *AM Consumer Automotive Repair Study*



Source: *AM Consumer Automotive Repair Study*

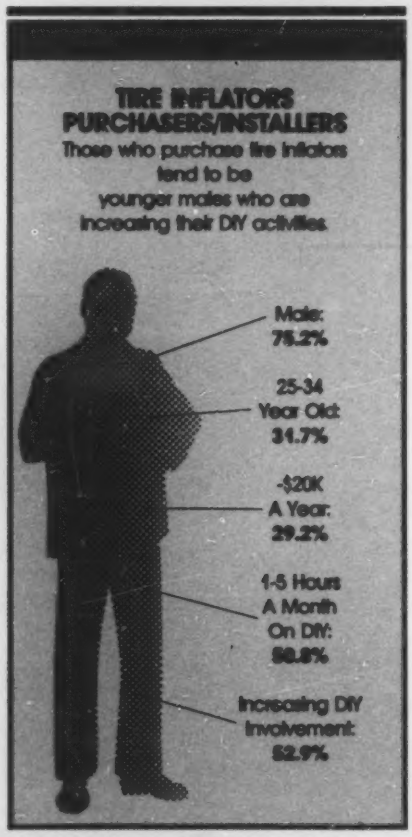
Product Category Review

TIRE INFLATORS

Tire inflators can be your customers' favorite product.

Tire inflators are impulse purchase products that turn into compulsively purchased products for any of your customers who have ever used them on a dark rainy night when their tire went flat. This product is a safety item as well as a convenience item.

Because it is a safety *and* convenience item, tire inflators appeal to a broad range of your customers—from light to heavy DIYers, men and women, and all income levels. The 1988 *Automotive Marketing Consumer Automotive Repair Study* (CARS) found that 25% of the people we spoke to who had purchased tire inflator during the 12 months prior to the study were female. Some 32% were between 25 and 34-years old, 51% spent between one and five hours each month on DIY work, 36% were responsible for two vehicles, and 53% said their level of DIY involvement would increase.

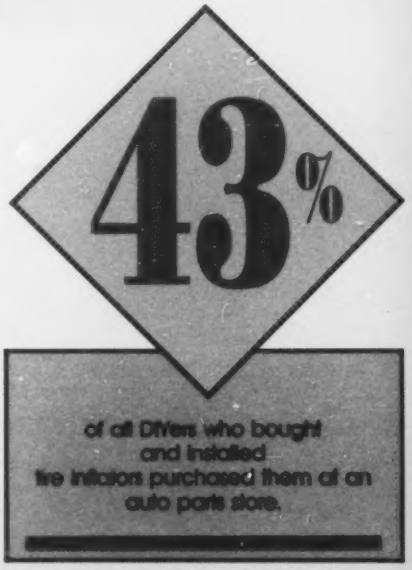

TIRE INFLATORS PURCHASERS/INSTALLERS
Those who purchase tire inflators tend to be younger males who are increasing their DIY activities.
Male: 75.2%
25-34 Year Old: 34.7%
-$20K A Year: 29.2%
1-5 Hours A Month On DIY: 50.8%
Increasing DIY Involvement: 52.9%

Source: *AM Consumer Automotive Repair Study*

Tire inflator DIYers bought the product at automotive stores (43%) and discount stores (21%). They bought it at what they considered to be a convenient location (55%) where they thought they got the best price (26%). Sixty-one percent bought a nationally advertised brand. Some 42% said they noticed store media advertising while 25% noticed shelf or floor displays of the product.

And 50% of tire inflator buyers planned their purchase of the product. These were probably people who learned just how handy it is to have a can on hand in their trunks in case of emergencies.

To sell more tire inflator, keep it where you customers can see it and remind them that it's a safety and convenience item.■



Source: *AM Consumer Automotive Repair Study*

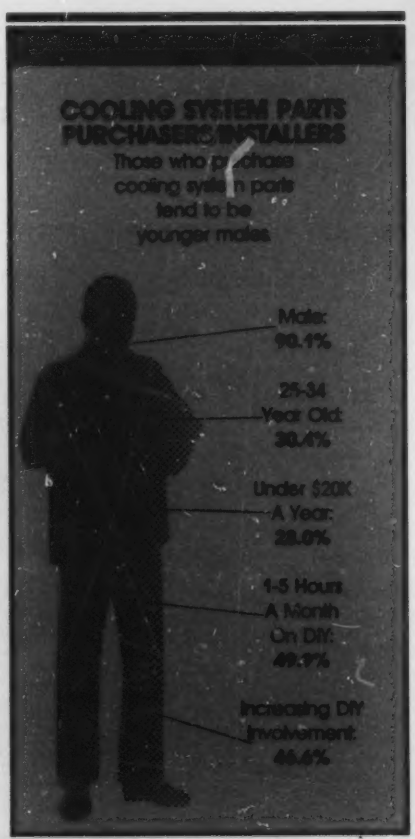
Product Category Review

COOLING SYSTEM PARTS

Selling cooling system parts is a good service to your customers.

DIYers with a temperature gauge on their dashboard know that the temperature of the engine runs around 180-190°F. But not many know that this is only the temperature of the coolant running through the radiator. In newer engines, combustion temperatures inside can reach 5,000°F.

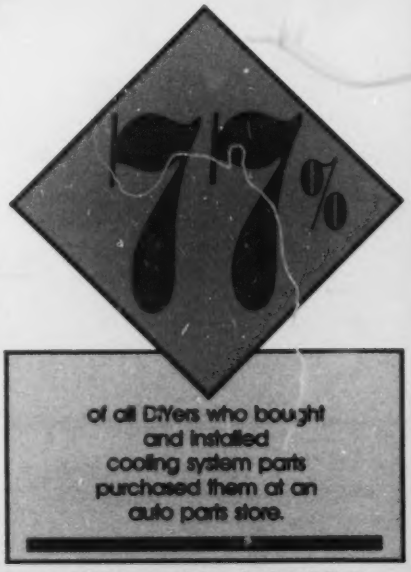
Only about a third of the heat is transformed into energy to power the car. The remaining heat must be dissipated. About half of the excess heat is carried off by the exhaust system, and the cooling system carries away the rest.


COOLING SYSTEM PARTS PURCHASERS/INSTALLERS
Those who purchase cooling system parts tend to be younger males
Male: 90.1%
25-34 Year Old: 30.4%
Under $20K A Year: 28.6%
1-5 Hours A Month On DIY: 49.9%
Increasing DIY Involvement: 46.6%

Source: *AM Consumer Automotive Repair Study*

Helping The Cooling System

The cooling system has a substantial job to do and when it fails, overheating is the result. Overheating problems can be caused by many, many reasons. Weak antifreeze/coolant, an incorrect dilution of antifreeze/coolant, late ignition timing, defective coolant recovery system, defective or broken thermostat, cooling system clog or leak, loss of pressure, air in the system, debris in the radiator, defective radiator cap, too great a load being pulled, clogged fins on an engine fan, leaking core plug, cracked block or cylinder head, faulty water pump or [illegible] control valve, dragging brak[illegible] ow idle speed, too lean air/fue[illegible] mixture, misadjusted damper door, loose or broken fan belts, and poor hoses are just some of the reasons.



Source: *AM Consumer Automotive Repair Study*

Product Category Review

COOLING SYSTEM PARTS

A DIYer can help the cooling system do its job by cooling any fluid that runs through the engine. He can start by using products to cool the coolant, transmission fluid, and engine oil. He can move on to make sure electric fans, oil coolers, fan belts, hoses, water pumps, radiators, and thermostats – all of which are parts of the cooling system – are operating at maximum efficiency.

Things To Do

Checking fluids is the first step in cooling system maintenance. The antifreeze/coolant is the first fluid to check. DIYers should make sure it's fresh and undiluted. A 50/50 mixture of antifreeze/coolant and water is recommended for all but the coldest areas. It is a mistake to add too much antifreeze/coolant. A mixture of more than 68% antifreeze/coolant actually lowers the boiling point and raises the freezing point.

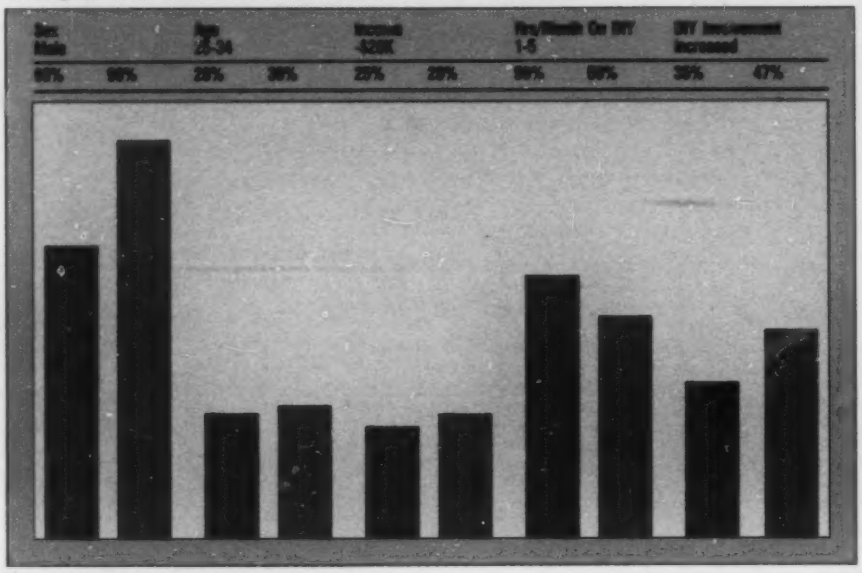
But other engine fluids are just as important. Motor oil and transmission fluid are keys to car's cooling systems. Oil temperatures can be surprisingly high. On a hot day, oil pan temperatures can reach 260°F, bearings can reach 335°F. Bearings can begin to burn out, and this heat will quickly break down the oil and damage the engine. An add-on oil cooler can lower the oil temperature and keep it lower.

There are also transmission fluid coolers for cars with automatic transmissions. The transmission cooler is generally a separate cooling system that brings transmission fluid out of the transmission and passes it through a small, separate radiator where the heat is passed out into the external air. It is mounted in front of the car's radiator. Lines bring the fluid to and from the transmission to it. Once again, a transmission cooler is useful when the car is used to pull heavy loads or special stress is placed on the transmission.

Ninety percent of all transmission failures are caused by heat. A transmission's heat exchange with the radiator may not be sufficient for the car. An add-on cooler will keep the transmission fluid cooler which is good for the transmission.

Once the fluids are right, the rest of the system remains to be checked. Some checks are easy tasks. A simple inspection can show if a hose is flaking or cracked, too hard or too soft. Belts should be checked for stiffness, looseness, or cracking when the cooling system components are checked. But other jobs and problems may require professional help.

Comparing the largest percentages of DIYers in any given category who bought and installed cooling system parts with DIYers as a whole in the same category.



■ Study Average ■ Cooling System Parts DIYers

Source: *AM Consumer Automotive Repair Study*

of all DIYers who bought and installed cooling system parts bought the brand they did because it was the only one available.

Source: *AM Consumer Automotive Repair Study*

Add-On Fans

There are other things a DIYer can do to help out the cooling system, like adding an electric fan to an older car. Electric fans are becoming standard equipment on newer cars. Most suppliers now offer electric fans as either a replacement or an add-on item. These fans run off a thermostat, but they only run when the coolant temperatures reach a certain level. Often they run after the engine is shut off. The engine does not cool down as soon as it is shut off on a hot day, but air temperature, alone, is enough to cool down the engine on a cold day.

According to the 1988 *Automotive Marketing Consumer Automotive Repair Study (CARS)*, 31% of DIYers bought and installed a cooling system part. And most of these consumers planned their cooling system part purchase. You can increase that number by educating consumers on the possibilities for corrective action and preventive maintenance for the cooling system. ■

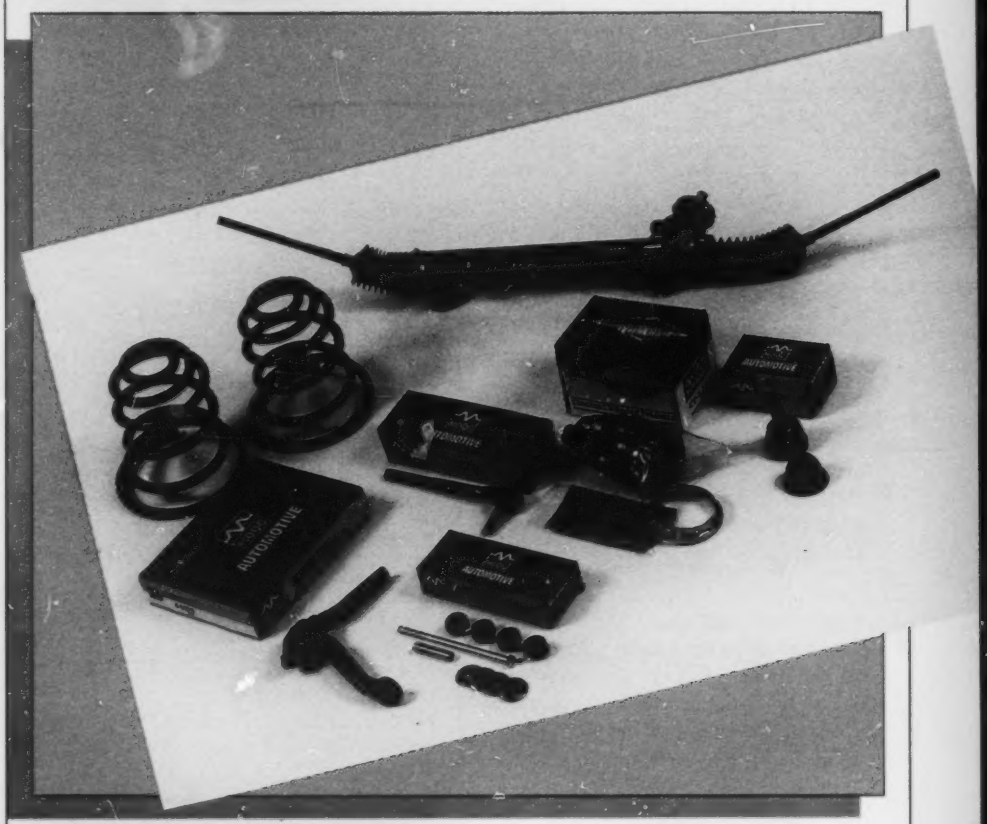
Product Category Review

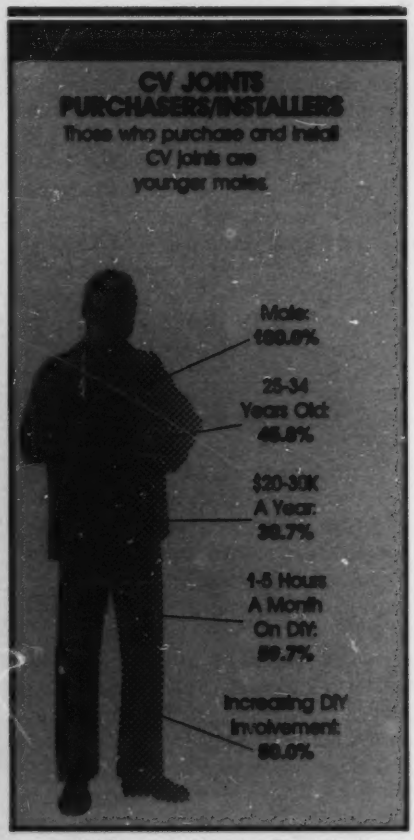
FRONT END PARTS

The front end is changing, but traditional parts still dominate sales.

Just as front-wheel-drive has led to the use and growth of strut sales, FWD cars also have changed front end parts.

This is not to say there's not a good market for such items as tie rods, ball joints, and the various components of a conventional steering system. The great majority of cars on the road still use these parts and most can be replaced by a DIYer who's willing to get a bit dirty. The Lindsey-Kaufman Co. estimated the sales of front end suspension/steering parts (not including struts and shocks) at $1.245 billion at retail in 1987. Add in sales of U-joints and CV-joints and the front end market is about $1.8 billion.




CV JOINTS PURCHASERS/INSTALLERS
Those who purchase and install CV joints are younger males.
Male: 100.0%
25-34 Years Old: 45.8%
$20-30K A Year: 36.7%
1-5 Hours A Month On DIY: 99.7%
Increasing DIY Involvement: 99.0%

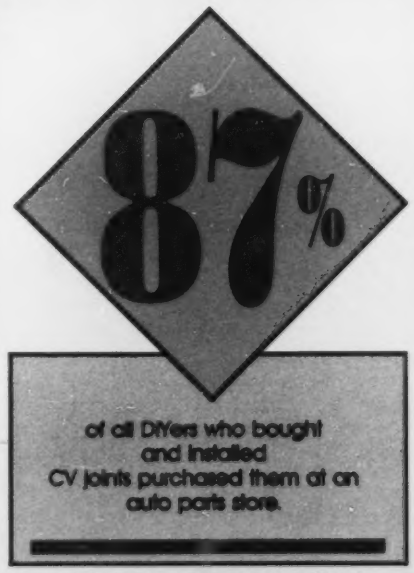
Source: A M Consumer Automotive Repair Study

A Changing Market

However, the front end market is changing rapidly toward new parts. The most obvious change on front-wheel-drive cars is rack-and-pinion steering.

Both rack-and-pinion steering and MacPherson struts take up less room and weigh less than conventional systems. A rack-and-pinion system, for example, eliminates such parts as idler arms, pitman arms, center links, inner tie rod ends, and gear boxes, all used in conventional steering systems, and replaces them with one assembly. The savings in weight can be as high as 73%.

Rack-and-pinion steering has been used on many American cars since the late 1970s. About 40-45 million cars on the road are equipped with the units. In-



Source: A M Consumer Automotive Repair Study

Product Category Review

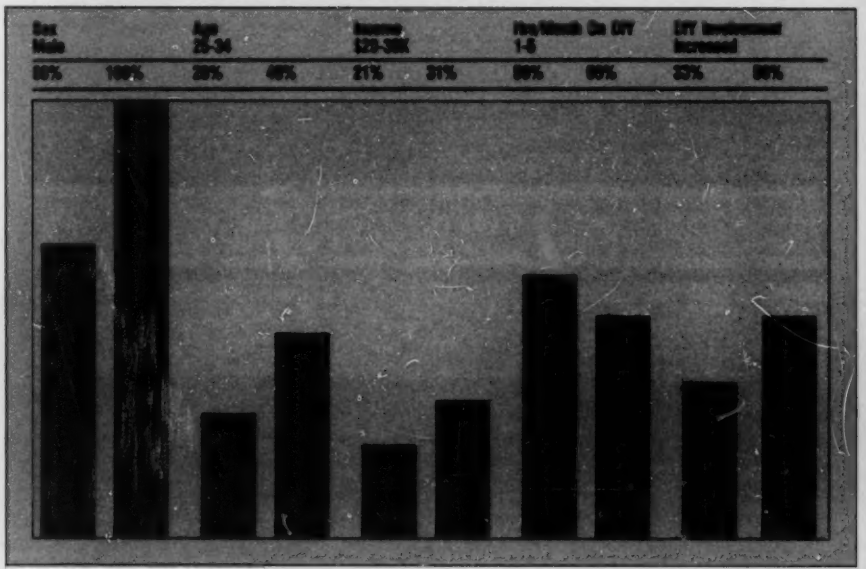
FRONT END PARTS

dustry forecasts say 99% of cars will eventually be equipped with rack-and-pinion units.

The aftermarket is just starting to feel the impact of rack-and-pinion steering parts since many of these systems have been on the road since the late 1970s and now need replacement. Industry people peg sales at about 200,000 units. Lindsey-Kaufman expects a growth rate of about 5.6% a year.

Unfortunately, it's almost unanimous that replacement of rack-and-pinion units will be a purely professional affair except for the very best, most dedicated DIYers with tools, time, and experience. Once again, retailers with service bays who can do rack-and-pinion replacement will profit from increasing sales.

Comparing the largest percentages of DIYers in any given category who bought and installed CV joints with DIYers as a whole in the same category.



CV Joints

Along with rack-and-pinion steering, front wheel drive cars use CV-joints that serve the same function as a universal joint on cars with rear-wheel drive. Sales of CV-joints have boomed in recent years. Lindsey-Kaufman puts sales at about $335 million.

Once again, manufacturers expect few DIY sales of CV-joints. But DIYers should be told to watch the boot that serves to keep grease in and water and other road trash out. The lifespan of a CV-joint with a broken or cracked boot is about eight hours. Replacing a boot costs perhaps $20 while a new CV-joint will be well over $100.

35%

of all DIYers who bought and installed CV joints bought the brand they did because of its low price.

Source: *AM Consumer Automotive Repair Study*

DIY Oriented Parts

While rack-and-pinion and CV-joint sales will probably not be a large DIY item, there are other front end parts that will.

One such item is a torque strut designed to replace the engine restraining straps used on transverse engines. The torque strut looks like a small shock absorber. It serves to limit the movements of a front wheel drive engine, preventing excessive vibration that will wear out the motor mounts.

Manufacturers claim the torque strut will last three times as long as the engine restraining strap used by the OE makers. It's a simple bolt-on task for the DIYer.

There are also coil springs. As much as 70% of the vehicle weight in FWD cars rides on the front wheels. The central point of everything in the front end is the coil spring. If it sags, it's impossible to align the car correctly, so excessive tire wear and poor handling will result. Although they carry less weight in front-wheel-drive cars, the rear springs are just as important. This is particularly true if the vehicle is used to tow a trailer or carries heavy loads.

While front wheel coil spring replacement requires a lot of equipment, rear wheel replacement is a simple DIY task. A strut or a shock should never be sold without checking the springs.

The Future

With all the talk and interest in new products for FWD vehicles, it's easy to forget that conventional front end parts are still the dominant side of the market. There are well over 100 million cars with conventional steering and suspension systems left on the road. And quite a few of these cars are older cars, the kind that will need idler arms, ball joints, U-joints, and all the other conventional front end parts retailers have been selling for years.

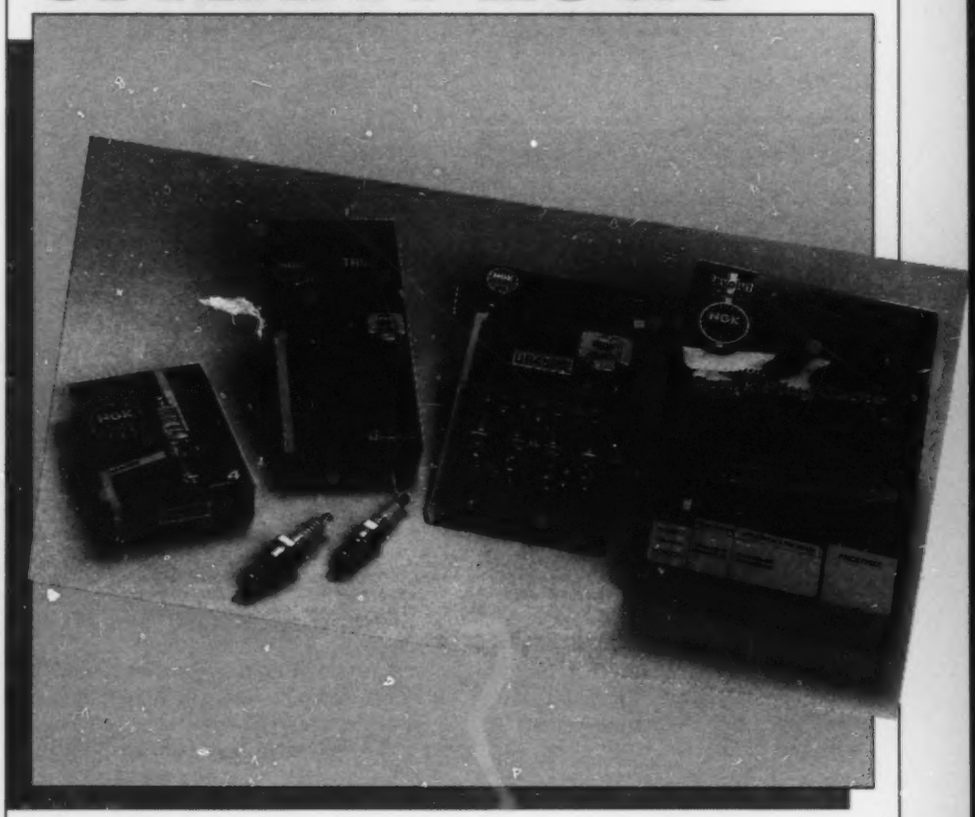
A change is coming, but it will be five to ten years before it's no longer a change but standard. ■

Product Category Review

SPARK PLUGS

Replacing spark plugs is still a favorite DIY task. But it will take an effort on your part to keep it that way.

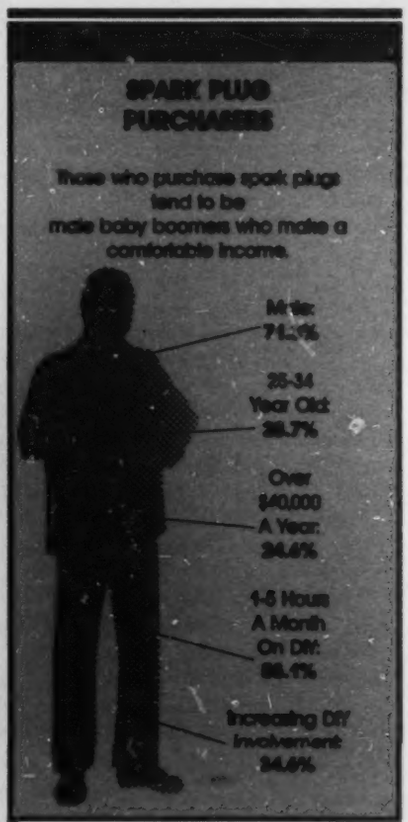
Spark plugs are the biggest players on the tune-up products team. Other members of that team include spark plug wires, cables, distributor parts, and modules. But none of the other items outshines spark plugs when it comes to generating consumer and retailer interest.



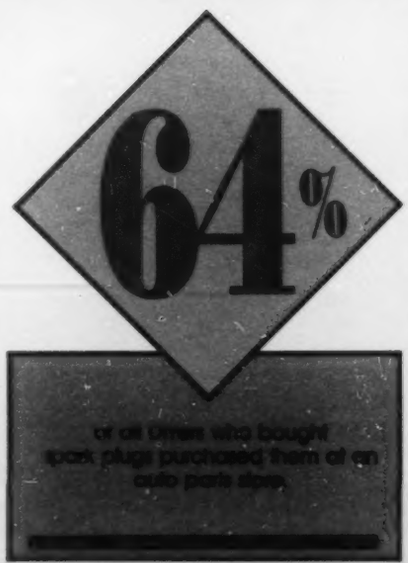
Who Buys Them?

Even today—with the concern that new car technology may out-pace the DIYer's desire to DIY—replacing spark plugs is still a favorite DIY task. The 1988 *Automotive Marketing Consumer Automotive Repair Study (CARS)* found that 36% of the study participants had installed a tune-up product during the 12 months prior to the study. The 1987 CARS found that 56% of the study participants had specifically purchased spark plugs. Seventy-one percent of those spark plug DIYers were male and 41% were under 35 years-old. Some 24% had household incomes under $20,000 annually, 19% had household incomes between $20,000 and $30,000 annually, and 25% had household incomes over $40,000 annually.

Of these spark plug DIYers, 77% said they did less than five hours of DIY work each month and 23% said they did more than five hours of DIY work each month. At least 25% of them were responsible for three or more vehicles, 37% were respon-


SPARK PLUG PURCHASERS
Those who purchase spark plugs tend to be male baby boomers who make a comfortable income.
Male: 71.3%
25-34 Year Old: 28.7%
Over $40,000 A Year: 24.6%
1-5 Hours A Month On DIY: 66.1%
Increasing DIY Involvement: 34.6%

Source: AM Consumer Automotive Repair Study



Source: AM Consumer Automotive Repair Study

Product Category Review

SPARK PLUGS

sible for two vehicles, and 38% were responsible for one vehicle.

Why Do They Buy Them?

Of the tune-up DIYers in our 1988 CARS, 65% said they did their tune-up themselves to save money, 16% did it themselves to make sure the job was done right, and 13% said they did it for personal satisfaction and enjoyment. A full 90% said they were likely to do the job again.

Where Do They Buy Them?

Automotive stores were the preferred place of purchase for 64% of spark plug DIYers. Discount stores were a distant second with 12%. Automotive stores are also the favorite place of purchase for 82% of DIYers buying other tune-up products, too. (About 13% went to a discount store for their tune-up product purchases.)

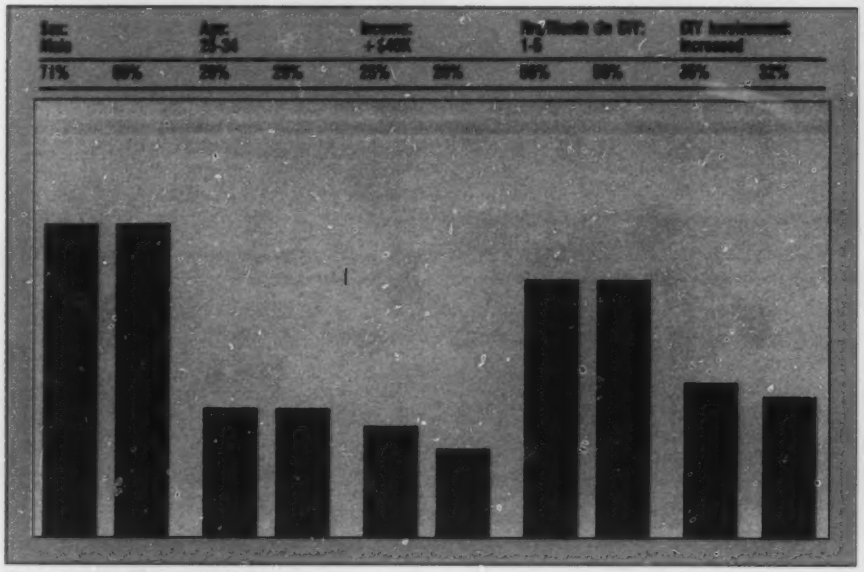
Tune-up product DIYers looked for a good price, a convenient location, nationally advertised brands, and quality products when they made their tune-up purchase.

22%

of all DIYers who bought spark plugs bought the brand they did because of its quality.

Source: AM Consumer Automotive Repair Study

Comparing the largest percentages of DIYers in any given category who bought spark plugs with DIYers as a whole in the same category.



■ Study Average ■ Spark Plug DIYers

Source: AM Consumer Automotive Repair Study

To meet those desires, most successful stores stock an average of three brands of spark plugs. The typical selection includes two national brands for domestic vehicles and at least one brand for import vehicles. Offering DIYers national brands is important because many DIYers seek out the quality of a specific name brand. They usually have a brand in mind when they come into the store.

Keeping Them Buying

The biggest problem facing spark plug retailers is how to keep those DIYers buying spark plugs; particularly DIYers who own vehicles with foreign name plates and newer vehicles with electronic ignitions. Both of those types of DIYers represent a challenge to retailers because both may be shy when it comes to tuning-up their cars.

But, spark plug manufacturers are making the job of educating DIYers who own foreign name plate cars easier with their own advertising efforts. In fact, the rising sales of imports makes plugs for imports a solid sales growth area for many retailers. Imports generally use a spark plug branded with a non-vehicle name. These plugs are seen as OE, and many import owners like to stick with OE plugs. One brand may be all you need to carry to meet those needs. One import plug manufacturer claims that its plugs are chosen as OE for about 40 foreign name plates.

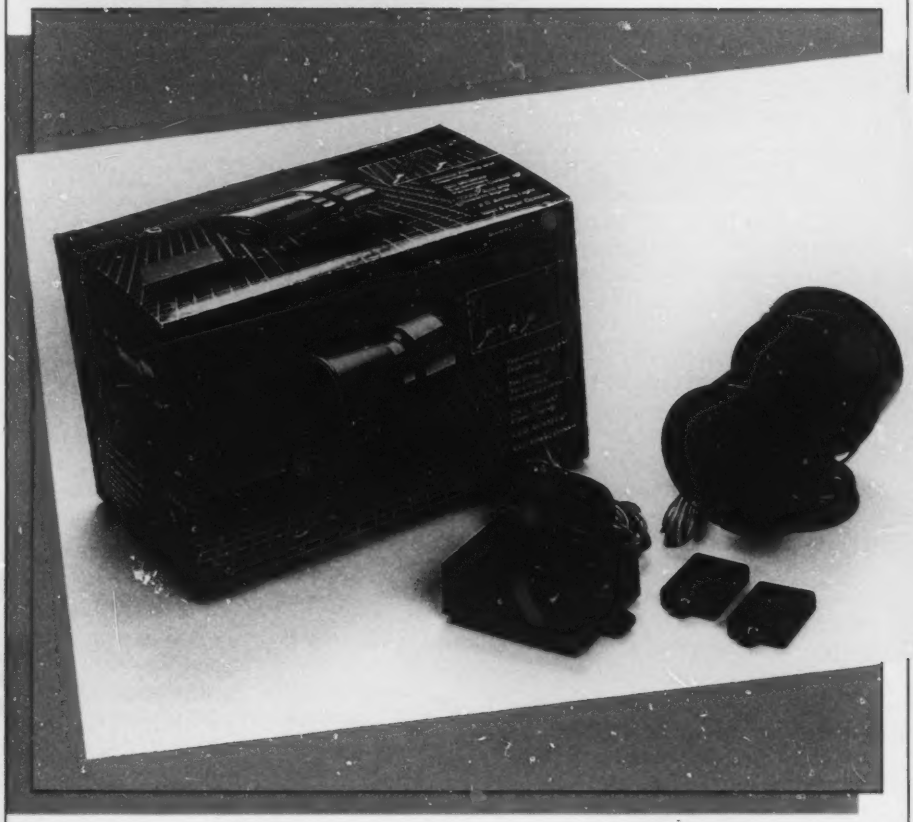
The spark plug makers have also done a good job reaching the owners of vehicle with electronic ignitions. The suppliers have reminded DIYers about the need for preventive maintenance and the possible inadequacy of some OE suggested change intervals for certain kinds of driving and vehicle use. You can help by reminding your DIY customers that no matter what kind of ignition system is in their vehicles, spark plugs remain an easy DIY replacement task.

Suppliers also do a good job with national consumer advertising, eye-catching retail packaging and improved cataloging. They offer loads of promotional material designed to move spark plugs off your shelves. All you have to do is take advantage of it. ■

Product Category Review

SECURITY

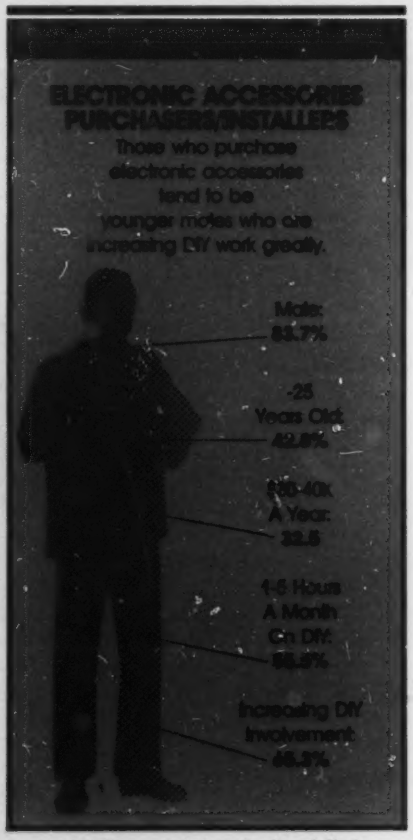
More auto thefts mean more security products sales for retailers.



Automotive security products are now sold in rural areas, small towns, and medium-sized cities as well as the traditional big city metropolitan areas. That's because auto theft is increasing all over and is, in fact, increasing at an alarming rate in areas once thought immune to such crime.

For example, the U.S. Department of Justice reports that nation-wide vehicle theft has risen an average of 11% annually in recent years. But that figure jumps to 16% for the rural deep South. In Minneapolis, auto theft rose more than50% between 1984 and 1987 and it rose more than 100% during the same period in Baton Rouge, LA. In the meantime, the auto theft rate in big cities like New York and Detroit has fallen between 11% and 13% annually during the same period.

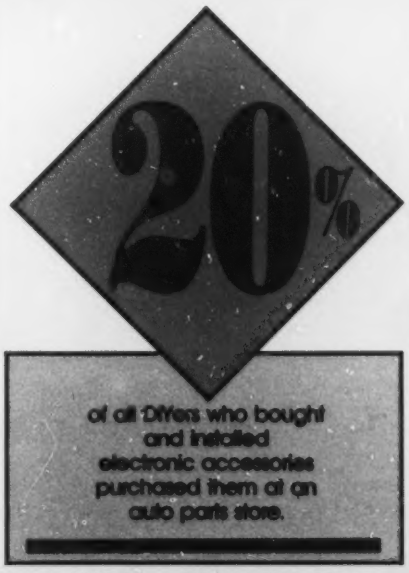
So while the numbers are not exactly good news for the people living in the affected areas, they are good news for retailers who sell automotive security products.


ELECTRONIC ACCESSORIES PURCHASERS/INSTALLERS
Those who purchase electronic accessories tend to be younger males who are increasing DIY work greatly.
Male: 83.7%
-25 Years Old: 42.8%
1-5 Hours A Month On DIY: 55.5%
Increasing DIY Involvement: 69.5%

Source: AM Consumer Automotive Repair Study

Who Sells Security?

More retailers than ever before are selling a wide range of automotive security products. In 1987, 60% of the *Automotive Marketing* Retail Panel members said they sold automotive security products in their stores. That was an increase of 17% over the 43% who said they sold security products the year before. Another 34% of



Source: AM Consumer Automotive Repair Study

Product Category Review

SECURITY

the Retail Panel members said they felt their automotive security sales would increase because theft was up in their area; 63% of the Retail Panel members said they felt sales would hold steady.

What Do They Sell?

There are two basic types of automotive security products. Smart retailers sell both types to get the most sales.

The first type—and the most common—is an alarm system. Most of these systems serve two purposes. They call attention to—and scare away—potential thieves with blaring horns, sirens, and flashing lights. And, by the same means, the alarm systems let the vehicle owners know that someone is tampering with their vehicles. The more sophisticated systems let owners who are out of horn range know of a potential theft through a paging device. Some of these alarm systems use the vehicle's own OE horn, while others include a different horn that sounds more like an alarm.

The second type of device creates some sort of physical impediment to theft by stopping the car from moving. In general, these devices cut off the ignition system so the vehicle can't be started.

The best security systems include both alarms and impediments. The idea with these is to get the owner's attention and slow down the thief at the same time. There are also chains, locks, and bars that deter thieves.

Retailers sell a variety of these automotive security products. Again, according to *Automotive Marketing* Retail Panel members, all of them—100%—sell locking gas caps, 76% sell mechanical devices such as chains, padlocks, and bars; 66% sell locking lug nuts, 54% sell audible alarms, 29% sell remote activated alarms, 27% sell passive alarms, 27% sell anti-theft stickers and decals, 20% sell removable and/or locking steering wheels, and 10% sell identification number/VIN etching kits.

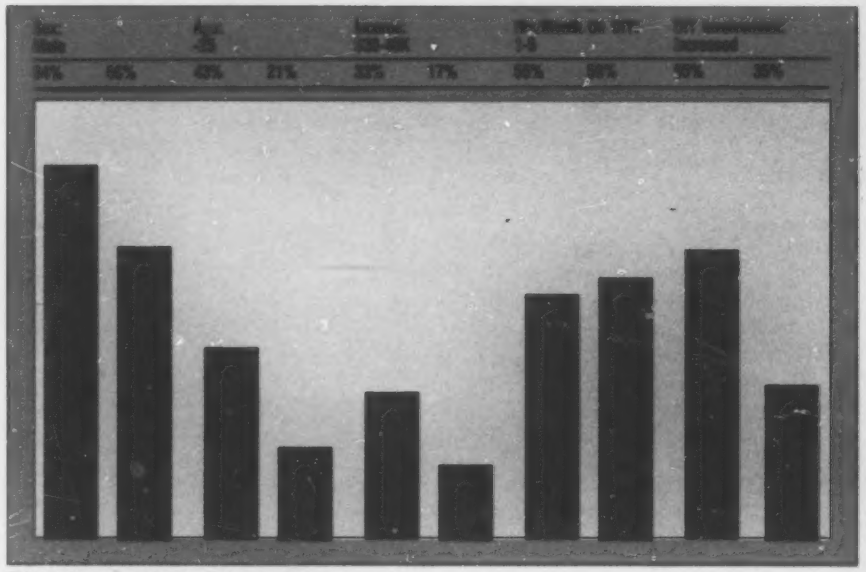
How Do They Sell It?

Retailers do not make money by selling only one type of security product, according to automotive security product manufacturers. Retailers make the most money by offering a whole range of security products in a well-merchandised automotive security department. That "department" may only be four running feet of a gondola, or it may be a whole aisle. The idea is to be the "source" for automotive security products in your marketing area, and that is done be having a variety of products at various price points. A full line lets the retailer sell a customer who only intended to buy a "simple security device" up to to a full-featured alarm system.

Help From The Manufacturers

Becoming the "source" for automotive security products in your marketing area is a job made easier by the security product manufacturers. The manufacturers are working hard to require states to permit insurance discounts on theft policies for vehicles that have security systems. And the manufacturers are using lots of print and television advertising to generate consumer interest in automotive security and to direct those customers to your store. The products themselves come in retail-oriented, self-selling packages with detailed instructions for easy DIY installation. So, there is no reason not to clean up selling automotive security products.■

Comparing the largest percentages of DIYers in any given category who bought and installed electronic accessories with DIYers as a whole in the same category.



■ Study Average ■ Electronic Accessory DIYers

Source: *AM Consumer Automotive Repair Study*

of all DIYers who bought and installed electronic accessories bought the brand they did because of their low price.

Source: *AM Consumer Automotive Repair Study*

Product Category Review

BATTERIES

Smart retailers stock batteries to serve fast-growing market applications.

Over the past ten years, the number of automotive batteries sold per year has grown very slowly, rising from about 55 million in the late 1970s to almost 60 million in the late 1980s, according to the Battery Council International (BCI), Chicago. In 1987, just over 60 million were sold for the second straight year.

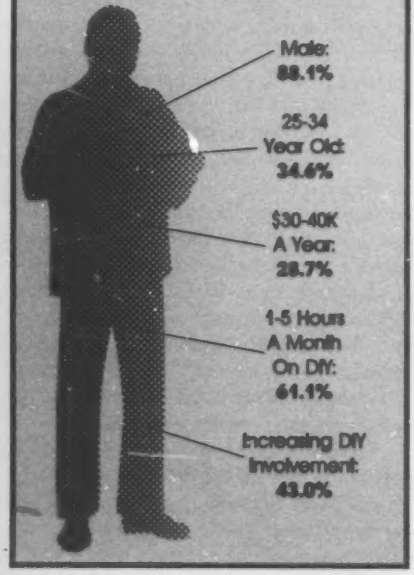
A Changing Market

The way batteries are sold has changed. Between 1975 and 1985, the big winners were the battery specialists who service gas stations and jobber stores, and the auto chain stores. Sales through department stores fell off slightly, while sales through car dealers are off more.

There has also been a move toward consolidation at the manufacturer level. From about ten major suppliers in the early 1970s, the aftermarket now has perhaps five. The intense competition among fewer companies for a reasonably stable market means low prices and large promotions at the retail level.

BATTERY PURCHASERS/INSTALLERS

Those who purchase batteries tend to be younger males who make a comfortable income.



Source: *A M Consumer Automotive Repair Study*

Factors Of Change

Although no one expects a huge rise in sales of batteries, there are some factors that can help the battery market. Several factors influence the sales of batteries:

- The number of cars on the road
- Total miles driven
- Engine changes
- Accessory loads

42%

of all DIYers who bought and installed batteries purchased them at an auto parts store.

Source: *A M Consumer Automotive Repair Study*

Product Category Review

BATTERIES

- Battery design trends.

In addition, battery sellers have a market in selling non-automotive batteries for use in boats, snowmobiles, lawn tractors, and other similar applications. Smart retailers stock batteries to serve these fast growing market applications.

Positive Automotive Factors

But signs are good in automotive too. The more cars are on the road. Also, the number of cars in the prime replacement years is higher following several years of decline. The lower price of fuel has led to a steady increase in miles driven.

Vehicle design trends have had a positive effect on battery sales. Although smaller engines require smaller batteries, owners have discovered that four-cylinder cars require just as much cranking power as larger cars.

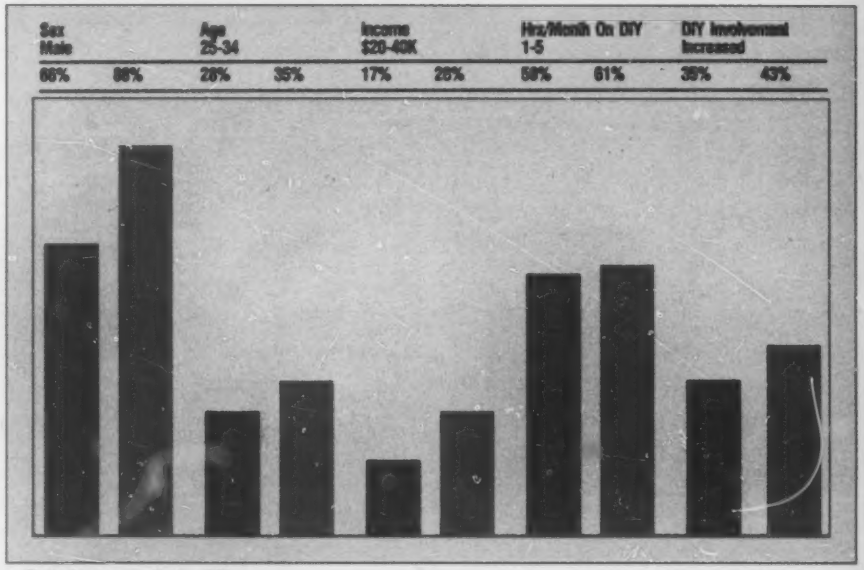
In this regard, Americans seem to have forgotten the gas shortages of the 1970s. More six and eight cylinder cars are being sold again. Engine sizes are slowly creeping up. While we'll probably never see 400 cubic inch engines again, more 5-liter engines (about 300 cubic inches) are on the road.

33%

of all DIYers who bought and installed batteries bought the brand they did because of its low price.

Source: *AM Consumer Automotive Repair Study*

Comparing the largest percentages of DIYers in any given category who bought and installed batteries with DIYers as a whole in the same category.



Source: *AM Consumer Automotive Repair Study*

Hotter And Heavier Loads

The jury is still out on the effects of emissions and aerodynamics on the battery. For one thing, newer engines run hotter and therefore create a worse environment for the battery. Aerodynamic vehicle designs leave less space for the heat to dissipate. In fact some new cars, such as the popular Ford Taurus, come with larger batteries simply to compensate for higher underhood temperatures. Battery makers say that batteries may not live as long in some new cars. However, the evidence is not in yet.

There is also a power problem stemming from the increased use of electronics in newer cars. Such options as power seats, power mirrors, power windows, electronically tuned radios, message centers, and simply the higher electronic load needed in computer controlled engines all take power from the the battery.

In addition, there are higher parasitic loads than ever before. A car with automatic door locks, entry lights, a security system, a trip computer, a digital clock, and computerized carburetor controls is not an uncommon vehicle today. The parasitic load on such a car will drain about two minutes of reserve a day from the battery. Today's best batteries have about a two-hour reserve capacity. A vehicle that sits for a long time could be in trouble.

Bigger Batteries

Combine the increased heat, the increased amount of electronics, and the higher parasitic loads, and you see the challenge facing battery manufacturers.

All in all, the battery industry has made remarkably steady progress in increasing the amount of power without increasing the size of the battery. Improvements have come from thinner plates, better insulation, changes in grid design and lighter weight packaging.

To compensate for even more electronics, battery makers expect to increase the number of cold cranking amps (CCA) as well as reserve capacity. Today's batteries top out at about 650 CCAs, but an 850 CCA rating is not long in coming.

Suppliers see the possibility of OE makers going to a 24-volt battery, or possibly two 12-volt batteries with a starting battery and a deep cycle battery to handle the parasitic load. ■

(Circle 48 on Product Information Card)

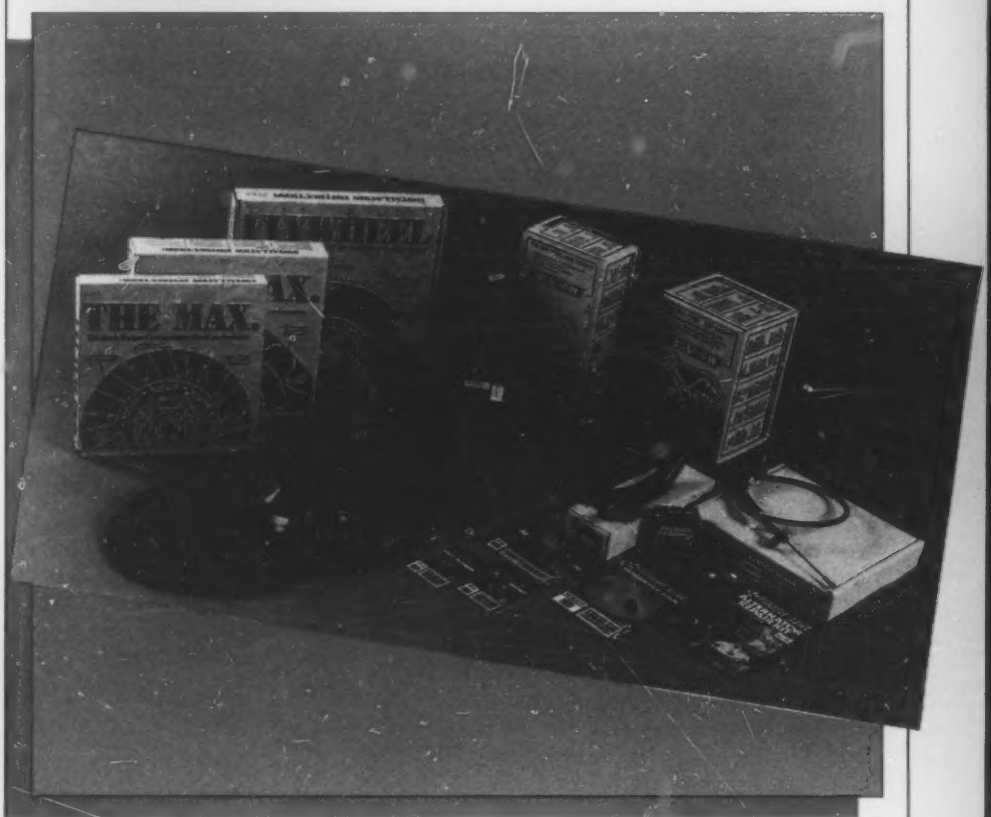
Product Category Review

REMANUFACTURED PARTS

Remanufactured parts mean solid parts sales.

Do-it-yourselfers concerned with both the quality and the price of their replacement hard parts find more choices when they go shopping in automotive parts stores these days. Besides the OE suppliers' aftermarket products, they find other suppliers' offerings. In addition, they have the opportunity to purchase rebuilt or remanufactured products in many instances.

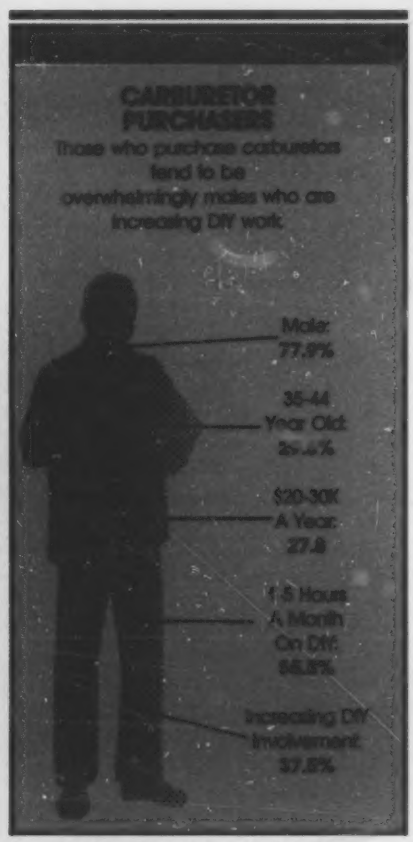
From armatures to water pumps, rebuilt parts provide the DIY customer a chance to buy something he needs at less than the price of a new part. The Automotive Parts Rebuilders Association (APRA) puts the general price range for all its industry's offerings between 60-65% of an equivalent new product. Part of this price savings is due to the cost savings of using the original housings for the rebuilt hard parts.



Quality is no longer a remanufactured parts issue. Today, their resources and remanufacturing processes allow the rebuilder companies the opportunity to use R&D techniques similar to those at the OE supplier firms to analyze products. In some cases, they can modify the rebuilt parts as they prepare to recycle them in the market. Rebuilders strive to meet, or exceed, the OE specifications for parts. And they provide warranties similar to those for new replacement parts, too.

Rebuilt vs. Remanufactured

Exactly what is a rebuilt, or remanufactured, part? To make a household


CARBURETOR PURCHASERS
Those who purchase carburetors tend to be overwhelmingly males who are increasing DIY work.
Male: 77.9%
35-44 Year Old: 25.4%
$20-30K A Year: 27.8
1.5 Hours A Month On DIY: 56.8%
Increasing DIY Involvement: 37.8%

Source: *AM Consumer Automotive Repair Study*

Source: *AM Consumer Automotive Repair Study*

Product Category Review

REMANUFACTURED PARTS

comparison, it's like a reconditioned piece of furniture which has been disassembled, inspected, cleaned, refurbished, and reassembled.

Parts rebuilders distinguish between rebuilt and remanufactured this way: rebuilding is the process when a single part is disassembled, a worn component component replaced, and the unit reassembled; remanufacturing is the process which disassembles many parts, reconditions salvageable components, and reassembles them in a mass production basis using both new and reconditioned parts.

Rebuilts are different from used parts. The latter are parts which have been taken from vehicles, and possibly cleaned before re-sale. There is no disassembly and reassembly process with used parts, and generally no warranty.

Where's The Business?

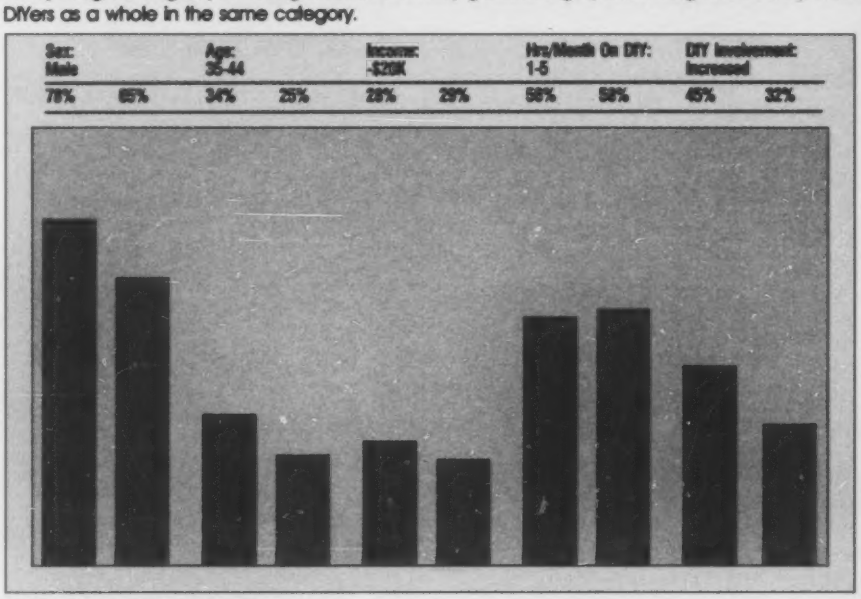
What is the demand for remanufactured hard parts? In some instances, for example, water pumps, the market is dominated by the remanufactured offerings. When replacement parts for imported cars were most difficult to find, rebuilt and remanufactured parts filled the need, putting disabled vehicles back on the road without a very long wait for new parts to appear at dealerships or in specialists' stocks.

Besides water pumps, many electrical parts and components are available in the rebuilt mode. Rebuilt brakes are another popular item, although with disc brakes rather than drums, the core value is diminished and the rebuilding process may boil down to only relining the brakes.

The APRA estimates that between 80-85% of replacement carburetors sold today are rebuilts. Carburetors are a product with limited growth potential because the new fuel injection systems in today's cars and trucks eliminates them. But the rebuilt electronic computer module is coming into the market to replace that eventually declining carburetor business. Rebuilder firms have mastered the techniques required to remanufacture the electronic components, and given the cost advantages, the outlook for this new category is good.

Rebuilts are popular choices for clutches and flywheels as well as the standard electrical items of starters and alternators. New front wheel drive technology means rebuilt sales opportunities for transaxles, according to APRA.

Comparing the largest percentages of DIYers in any given category who bought carburetors with DIYers as a whole in the same category.



■ Study Average ■ Carburetor DIYers

Source: *AM Consumer Automotive Repair Study*

They Meet Customers' Needs

For retailers seeking to help their DIY customers who need to keep a tight control on their wallets as they repair their cars, rebuilts may be the answer.

For retailers who work hard to help their consumers who have older cars, rebuilts are sure sales. That's because rebuilders put a lot of effort to maintain inventory coverage for older cars. They do this because they know that the price advantage of rebuilts over new is very desirable to the DIY working hard to keep his or her older car alive at the lowest possible cost. And they know that owners of older cars depend a great deal upon these cars to get them to their jobs, so quality is also an important consideration.

Rebuilts continue to gain acceptability in the consumers' minds, and the opportunities for hard parts profits through rebuilts continues to gain acceptability on the retailers' bottom line. ■

19%

of all DIYers who bought a carburetor bought the brand they did because of its low price.

Source: *AM Consumer Automotive Repair Study*

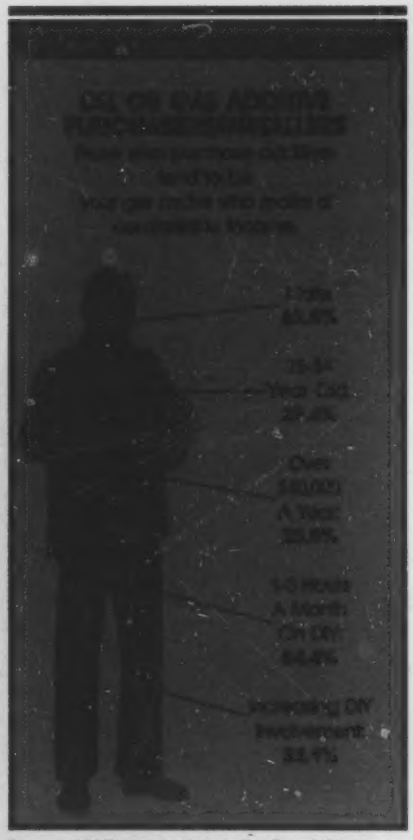
Product Category Review

MAINTENANCE & ADDITIVE CHEMICALS

Chemical products make vehicles run better and make cash registers ring.

Additives and maintenance chemicals are just two of the many automotive chemical products found on store shelves. While the ebb and flow of new chemical product introductions can make the chemical section of any automotive store a place of mystery for many consumers, oil and gas additives and maintenance chemicals are perennial favorites. They are easy to use, dependable, and get the job done.

But just what are these products? There are three basic types of automotive chemicals, and each type does a different job for the car. Here is a brief explanation of each type:

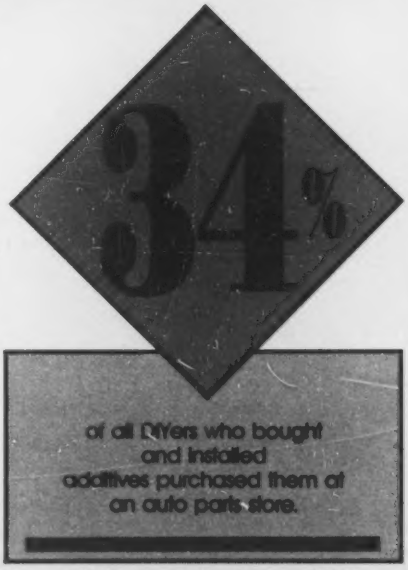


Source: AM Consumer Automotive Repair Study

- Additives: these chemicals are added to gas or oil to improve engine performance by removing water from gasoline, cleaning fuel lines, reducing oil consumption and exhaust smoking, and increasing friction protection.
- Maintenance fluid: these chemicals are added to different vehicle systems as aids to DIYers. Depending on the chemical, they do such jobs as make engine oil cleaner, clean away sludge, reduce wear on power steering pumps, prevent leaks, and clean and degrease parts.
- Functional fluids: these are chemicals required for the operation of the vehicle such as brake fluid, power steering fluid, or automatic transmission fluid.

Popular Additives

One popular gas additive is a gas line



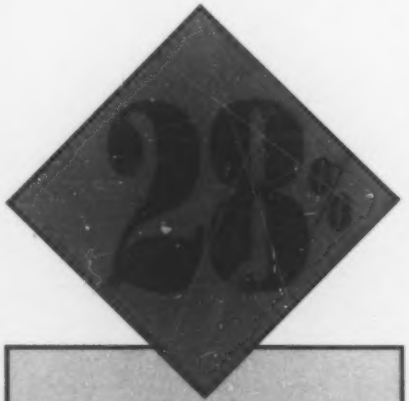
Source: AM Consumer Automotive Repair Study

MAINTENANCE & ADDITIVE CHEMICALS

treatment which mainly serves to prevent cold weather ice build-up in the gas tank and fuel lines. The treatment is also formulated to clean up the fuel system in various ways. Some other gas additives are formulated to help vehicles pass emissions test, for instance, with one container treating up to 20 gallons of gasoline.

For fuel-injected engines, specially formulated gas line cleaner additives are often used regularly simply because any impurities in the fuel line throw the engine out of tune. There are also cold starting sprays, made of highly combustible liquids. And finally, there are lead additives to supply lead or lead substitutes no longer found in gasoline.

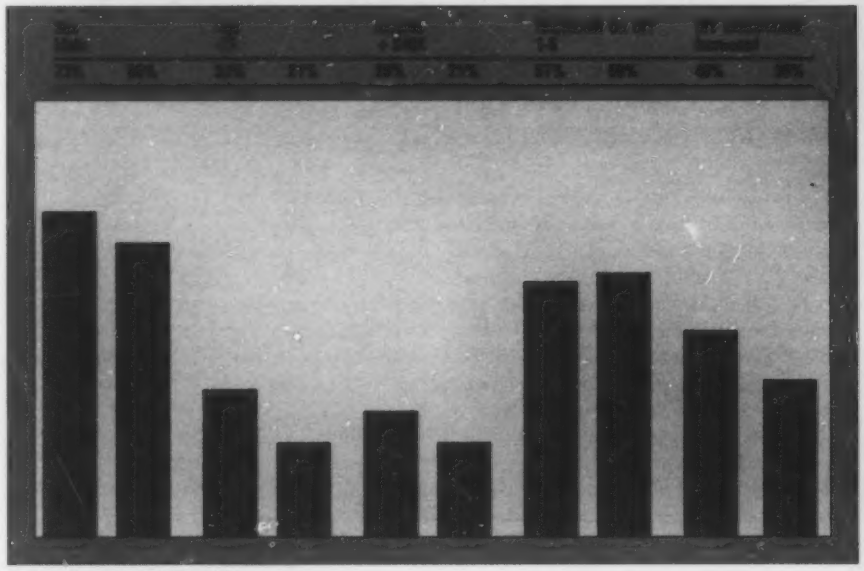
Motor oil additives replace the chemicals that motor oil manufacturers use to make up as much as 20% of the average motor oil. The additives, both the ones the manufacturers put in the oil originally and the ones provided by motor oil additives, perform important functions in the engine. Motor oil additives are designed to replace those chemicals as they are lost through wear and break-down. Some oil additives are useful for cleaning valves and piston rings. Others contain stop leak additives to seal oil bearings and seals.



of all DIYers who bought and installed additives bought the brand they did because of its quality.

Source: *AM Consumer Automotive Repair Study*

Comparing the largest percentages of DIYers in any given category who bought and installed additives with DIYers as a whole in the same category.



■ Study Average ■ Additive DIYers

Source: *AM Consumer Automotive Repair Study*

Some additives reduce friction by coating internal parts with a super slippery oil.

How Popular?

Just how popular are additives and maintenance chemicals? Very. *Automotive Marketing's* 1988 *Consumer Automotive Repair Study* (CARS) found that 48% of the DIYers we spoke to purchased and poured an additive into their car. The average additive DIYer in our 1988 study was a male younger than 34-years-old who made less than $30,000 a year. He spent between one and five hours a month on automotive DIY work and was responsible for one or two cars. Almost half of the additive DIYers said they had increased the amount of automotive repair work they did over the year before.

Additive DIYers said they poured their own additives in for a variety of reasons including: to save money (41%), because it was simple and easy to do (23%), and because they enjoyed doing it or did it for personal satisfaction (22%).

In 1988, additive DIYers purchased the product at an automotive store (45%) or a discount/department store (30%). They bought it where they did because of price (36%). They generally chose nationally advertised additives (82%) and paid for them because they believed them to be of good quality (28%).

Chemical Questions

These chemical products are very popular and are good sellers, but sometimes draw a lot of questions. The hardest, of course, is: Do they work? This is a tricky question to answer because there are many additives and many claims. In general, additives and maintenance chemicals do a good job and do just what they say they will. But no two engines are identical and different engines will have different reactions to different additives. Both you and the customer should read the labels very carefully. Check the benefits, the claims, the directions, and any warnings about product use. ■

Product Category Review

CAR WASH EQUIPMENT

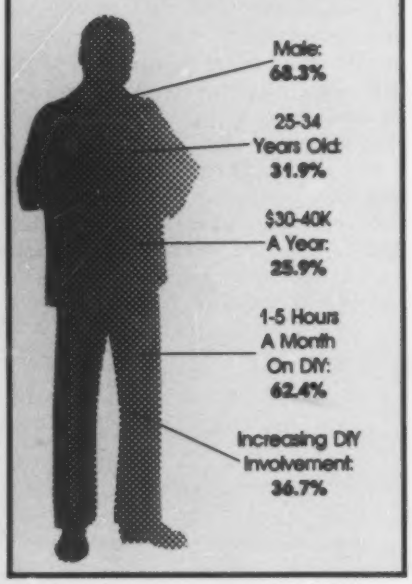
Car washing equipment is no longer just a seasonal sales item. The product is an all-around best seller.

Car washing equipment—those popular spray attachments that attach to the end of a garden hose and the soap and wax products that go with them—is no longer just a Summer selling season phenomenon. Today, this equipment is an all-season best seller. That's because today's DIYer wants to use professional-type equipment to clean his vehicle.

A lot of DIYers out there spend lots of time and money caring for their vehicles' finish. *Automotive Marketing's* 1988 *Consumer Automotive Repair Study* (CARS) found that 63% of the DIYers we spoke to waxed their vehicles during the 12 months prior to the study. It is safe to say, then, that those same DIYers most likely washed their vehicles themselves before they applied a wax product.

WAX OR POLISH PURCHASERS/INSTALLERS

Those who purchase wax or polish tend to be younger males who make a comfortable income.



Source: *AM Consumer Automotive Repair Study*

The reasons the DIYers gave for caring for their vehicle's finish by applying wax themselves included the following: to save money (36%), for personal satisfaction or enjoyment (28%), and because the job was simple and easy to do (16%). Again, it is safe to say that these DIYers feel the same about washing their cars, trucks, and vans.

The Equipment Factor

It used to be that DIYers who washed their vehicles themselves used the same sponges, rags, and soaps they used to do household chores to wash the family se-

42%

of all DIYers who bought and installed wax or polish purchased it at an auto parts store.

Source: *AM Consumer Automotive Repair Study*

Product Category Review

CAR WASH EQUIPMENT

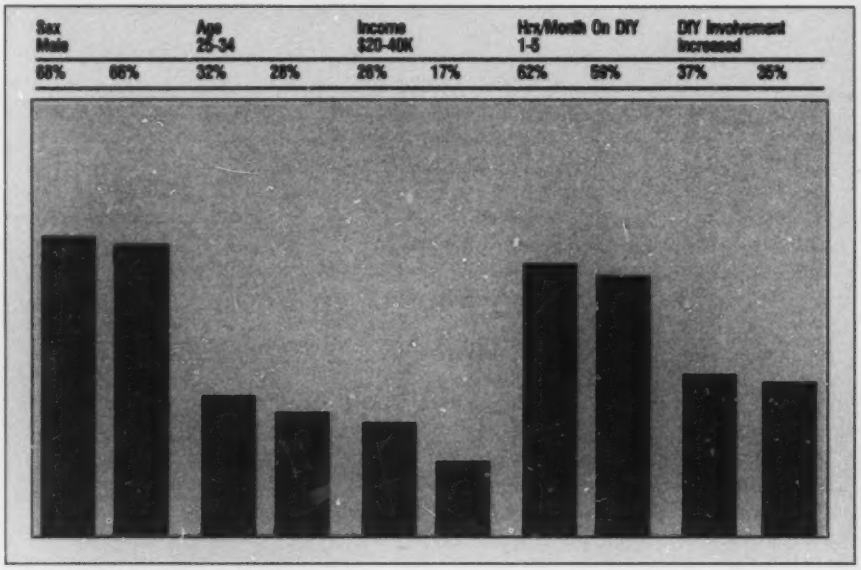
dan. That's because it used to be that only professional car washes had special equipment. But things have changed. DIYers, too, now have special gear such as car wash spray attachments to use when they clean their vehicles. And, this change has come just in time, too, since the wide-spread use of clear coatings on vehicles has led many people to abandon professional car washes and start washing their own cars.

Many new car owners' manuals specifically say that the car owner should not take his vehicle, with its clear coat finish, to professional car washing places that use stiff brushes. The stiff brushes—unlike the water stream produced by a car wash spray attachment—will damage the finish. True, many professional car washers now no longer use these stiff brushes, but many people with clear-coated cars are still washing their cars themselves, and they are using these popular car wash spray attachments.

Some car wash spray attachments can also be changed from a washing tool to a waxing tool simply by switching from a soap cartridge to a wax cartridge. This makes it possible for a car wash DIYer to clean and wax his vehicle as efficiently as any professional car wash without paying high car wash prices and without risking damage to a vehicle's finish. Both the soap and wax cartridge systems for these tools are totally self contained. No mixing or measuring is required.

And washing their cars is not the only thing the DIYers have found to do with this product. The car wash spray attachments are pressed into weekend service to wash boats, RVs, patio furniture, house siding, and windows with a powerful dirt-cutting stream of suds and water. And, it is all done without any hand rubbing, buffing, or polishing.

Comparing the largest percentages of DIYers in any given category who bought and installed wax or polish with DIYers as a whole in the same category.



Source: *AM Consumer Automotive Repair Study*

31%

of all DIYers who bought and installed wax or polish bought the brand they did because of its quality.

Source: *AM Consumer Automotive Repair Study*

Merchandising The Product

The byword when merchandising the products is *creativity*. And with these products, creativity is easy. First of all, the packaging itself is eye-catching. The average box is identified for the consumer on all six sides. No matter how you stack the box, backwards, upsidedown, on a table, standing upright—the product is clearly identifiable. That means you can use your space in any way you see fit.

One good place to merchandise these car wash spray attachments is with vehicle care chemicals. Eye level is good, but you can stack them vertically or display them at floor level. Some retailers stack them horizontally on end caps. End caps are ideal—the products just jump out at your customers.

Remember that with this item, the soap and wax are strong, and necessary, add-on sales items. Put the soap and wax right next to the attachments. On an end cap display, stack one shelf with brushes, one shelf with soap and wax and so forth.

One manufacturer is making your merchandising job easier by packaging this equipment two ways: first as individual items, and second, as complete kits packaged in eye-catching boxes with easy-to-carry plastic handles. ■

Product Category Review

SUSPENSION PARTS

The parts may change, but the suspension market is here to stay.

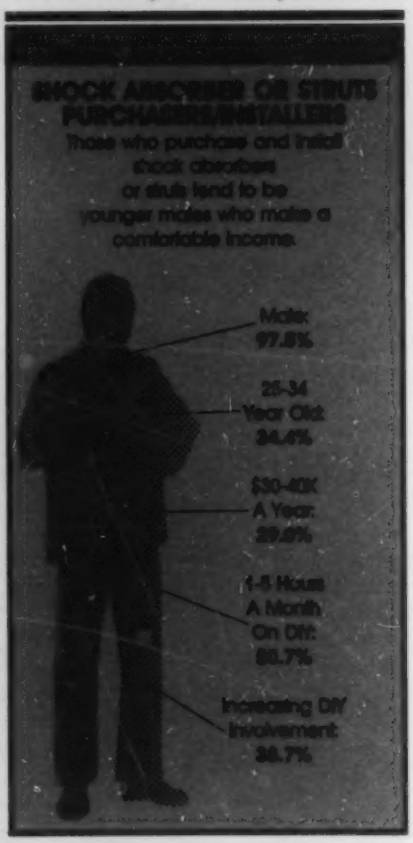
Over the past ten years, the suspension market has undergone a significant change. From a market that consisted mainly of shock absorber sales to DIYers, the suspension market is now made up of MacPherson strut sales, strut boots, coil springs, and jounce bumpers, as well as the old, reliable shock absorber. And, manufacturers have made significant improvements in shock absorbers with such items as gas-charged shocks.

Real Growth

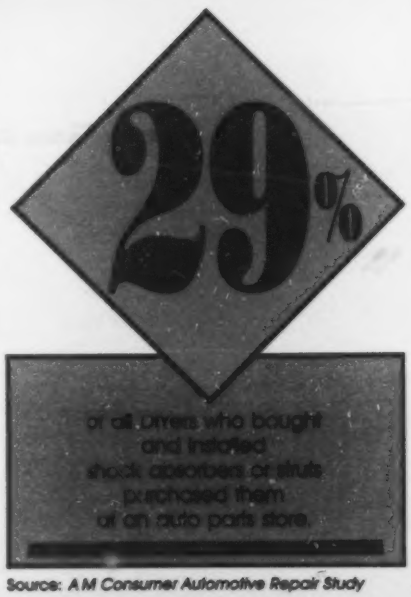
But the real growth in suspension sales comes from MacPherson struts. MacPherson struts were named for American engineer Earle MacPherson who patented a strut design in 1953. They were first used on an English Ford in 1958. But it was much later when they first appeared on American cars, about 1977.

The two gas shortages of the 1970s led to a demand for fuel economy. In response, by the late 1970s, OE car makers started producing large numbers of smaller, lighter, front-wheel-drive cars equipped with struts on the front wheels and shocks on the rear wheels. There were two reasons why. First, a strut suspension takes up much less room in the front of a car, and second, it allows the removal of many massive front end parts, such as upper control arms.

FWD and strut suspension rapidly grew. From about a quarter of new cars


SHOCK ABSORBER OR STRUTS PURCHASERS/INSTALLERS
Those who purchase and install shock absorbers or struts tend to be younger males who make a comfortable income.
Male: 97.8%
25-34 Year Old: 34.4%
$30-40K A Year: 29.8%
1-5 Hours A Month On DIY: 89.7%
Increasing DIY Involvement: 38.7%

Source: 1988 AM Consumer Automotive Repair Study



Source: A M Consumer Automotive Repair Study

Product Category Review

SUSPENSION PARTS

in 1980, strut-equipped cars made up well over 80% of new cars by the mid-1980s. As a result, although struts have a lower replacement rate than shocks, strut sales have climbed to close to 30% of dollar sales, and are still climbing.

Market Estimates

A reliable estimate by the Lindsey-Kaufman Co. puts the 1987 strut market at $255 million at retail. But this does not mean the shock absorber market is going away. Lindsey-Kaufman puts that market at $815 million for a combined suspension market of $1.07 billion.

In unit sales, the difference is a bit less. Manufacturers estimate total unit shipments at about seven million struts and about 44 million shocks in 1987. However, the replacement strut costs about three times the shock replacement so the difference is much less in dollars.

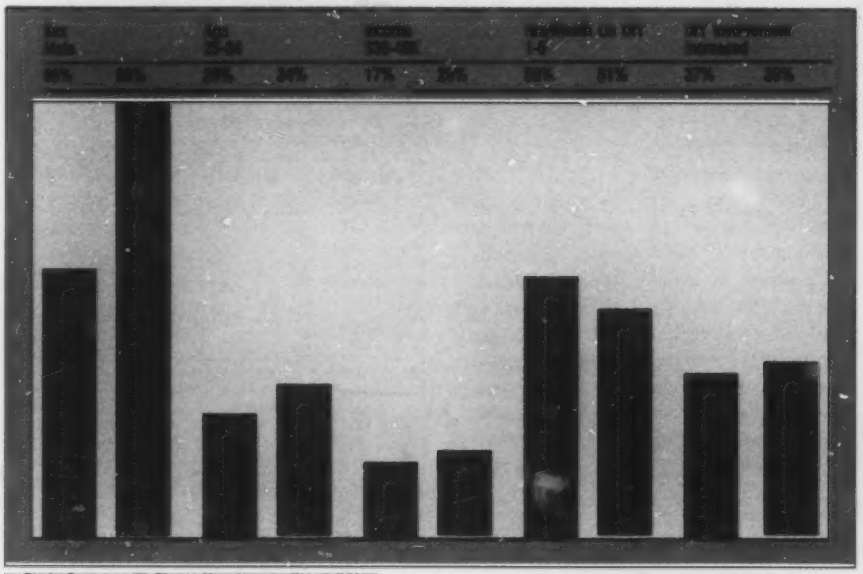
Struts Are The Future

But the future goes to the strut. By 1990, manufacturers expect the percentage of cars on the road equipped with struts to be more then 70%. Also, the aftermarket is seeing the need for more replacement struts the 1983 and 1984 cars enter the prime repair years. Lindsey-Kaufman expects shock sales to increase slightly to $845 million at retail in five years, while strut sales will almost double to $500 million, making a combined suspension market of $1.345 billion in 1992.

One question is, who will get the lion's share of this growing market? As far as the growing strut market, unfortunately, strut replacements have not found a good DIY rate. Installing a strut is a tough job and only the most competent DIYer is willing to tackle the task. The main problem is that the job requires a spring compressor. Some chains are attempting to meet this challenge by loaning or renting the proper tools.

However, no manufacturer or retailer expects a high DIY rate for strut replacement. This means the chain with service bays that can compete with the tire stores and specialists that dominate the installed market will be in the catbird seat for strut sales.

Comparing the largest percentages of DIYers in any given category who bought and installed shock absorbers or struts with DIYers as a whole in the same category.



■ Study Average ■ Shock Absorbers or Struts DIYers

Source: *AM Consumer Automotive Repair Study*

Shock Possibilities

But as far as the shock absorber market goes, there will continue to be a strong DIY market. Shocks are still a relatively easy DIY job. Some manufacturers put the DIY rate as high as 40%, although it's probably closer to [illegible]%. However, there is a slower replacement rate since shocks are found mainly on rear wheels today and thus get less wear.

On the plus side, there is a trend toward the higher value, higher ticket, gas-charged shocks. Retailers expanding their shock absorber categories are finding new sales opportunities with performance shocks that exceed OE specs. The growing pick-up and four-wheel-drive vehicle markets are also good news for retailers. Truck and FWD owners tend to be DIYers and appreciate high performance shocks.

Another strong market for retailers is the import market. Although several foreign shock and strut manufacturers are building plants in the U.S. to service the Japanese transplants, American manufacturers have full lines, and retailers should emphasize import replacements in their sales. ■

38%

of all DIYers who bought and installed shock absorbers or struts bought the brand they did because of its quality.

Source: *AM Consumer Automotive Repair Study*